

December 17, 1999



# North Dakota REV-E-NEWS

**From Rod Backman, Director  
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November revenue collections made up a large portion of the \$5.6 million shortfall experienced in October. Revenue collections are now \$3.3 million ahead of the biennium-to-date projections. The preliminary projected ending balance at June 30, 2001 is now \$32.7 million.

Although it is too early to say how the Christmas season will go for North Dakota retailers, RFA believes the 1999 Christmas season will be one of the best ever nationally. RFA anticipates the growth in Christmas sales will be 8 percent. Despite slowing job growth nationally, after-tax incomes

are expanding at a rate of 5.5 percent. Offsetting the impact of weaker job gains on incomes is accelerating growth in compensation.

**Merry Christmas  
and Happy New Year to You and  
Your Family !!**



## CAFR Work Completed

North Dakota's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 1999, has been completed. The CAFR is the only report that shows the entire state financial picture in one document. Copies of the CAFR will

be available to legislators through Legislative Council after January 3, 2000. The CAFR may also be viewed on the Internet at <http://www.state.nd.us/fiscal> after January 10, 2000.

## Distinguished Budget Presentation Award

The Office of Management and budget has been awarded the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award. This award reflects the commitment of the Governor and his staff to meeting the highest principles of governmental budgeting. In order to receive this award, North Dakota had to satisfy

nationally recognized guidelines to assess how well the State's budget serves as a policy document, a financial plan, an operations guide and a communications device.

This is the fourth consecutive Distinguished Budget Presentation Award OMB has received.

**STATEMENT OF GENERAL FUND REVENUES AND FORECASTS**  
**1999-01 BIENNIUM**  
**NOVEMBER, 1999**

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	Legislative Forecast	Actual	Variance	Percent	Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 32,004,100.00	\$ 32,756,698.46	752,598.46	2.4%	\$ 129,573,100.00	\$ 131,522,266.34	1,949,166.34	1.5%
Motor Vehicle Excise Tax	3,882,000.00	4,168,601.53	286,601.53	7.4%	22,864,000.00	23,057,830.37	193,830.37	0.8%
Individual Income Tax	12,780,000.00	18,764,535.68	5,984,535.68	46.8%	66,964,000.00	70,610,207.11	3,646,207.11	5.4%
Corporate Income Tax	1,348,000.00	(1,678,375.27)	(3,026,375.27)	-224.5%	16,081,000.00	9,456,317.26	(6,624,682.74)	-41.2%
Insurance Premium Tax	4,210,000.00	3,052,427.69	(1,157,572.31)	-27.5%	5,421,000.00	5,040,596.82	(380,403.18)	-7.0%
Financial Institutions Tax	47,000.00	8,426.00	(38,574.00)	-82.1%	146,000.00	488,509.00	342,509.00	234.6%
Oil & Gas Production Tax	902,000.00	1,432,637.22	530,637.22	58.8%	4,402,000.00	5,842,366.80	1,440,366.80	32.7%
Gaming Tax	2,285,000.00	1,899,398.86	(385,601.14)	-16.9%	5,677,000.00	5,973,060.17	296,060.17	5.2%
Interest Income	471,000.00	363,258.36	(107,741.64)	-22.9%	2,059,000.00	2,276,063.79	217,063.79	10.5%
Oil Extraction Tax	547,000.00	1,007,884.22	460,884.22	84.3%	2,676,000.00	4,528,156.90	1,852,156.90	69.2%
Cigarette and Tobacco Tax	1,850,000.00	1,699,273.47	(150,726.53)	-8.1%	9,592,000.00	9,752,982.19	160,982.19	1.7%
Departmental Collections	1,025,000.00	926,786.79	(98,213.21)	-9.6%	5,750,000.00	5,759,073.70	9,073.70	0.2%
Wholesale Liquor Tax	429,340.00	527,003.50	97,663.50	22.7%	1,820,449.00	1,884,480.42	64,031.42	3.5%
Coal Severance Tax	917,000.00	947,173.19	30,173.19	3.3%	4,732,000.00	4,718,107.14	(13,892.86)	-0.3%
Coal Conversion Tax	1,008,000.00	1,037,173.46	29,173.46	2.9%	5,086,000.00	4,960,808.71	(125,191.29)	-2.5%
Mineral Leasing Fees	220,000.00	339,134.56	119,134.56	54.2%	1,100,000.00	1,277,690.67	177,690.67	16.2%
Bank of North Dakota - Transfer								
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					345,152.00	345,152.00	0.00	0.0%
Other Transfers		85,222.58	85,222.58	100.0%	1,700,000.00	1,850,614.34	150,614.34	8.9%
<b>Total Revenues and Transfers</b>	63,925,440.00	67,337,260.30	3,411,820.30	5.1%	285,988,701.00	289,344,283.73	3,355,582.73	1.2%

**COMPARISON TO PREVIOUS BIENNIUM REVENUES**  
**1999-01 BIENNIUM**  
**NOVEMBER, 1999**

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	November, 1997	November, 1999	Variance	Percent	1999	2001	Variance	Percent
Sales Tax	\$ 24,365,111.42	\$ 32,756,698.46	\$ 8,391,587.04	34.4%	\$ 118,127,700.98	\$ 131,522,266.34	\$ 13,394,565.36	11.3%
Motor Vehicle Excise Tax	3,596,787.59	4,168,601.53	571,813.94	15.9%	22,185,733.98	23,057,830.37	872,096.39	3.9%
Individual Income Tax	10,941,585.48	18,764,535.68	7,822,950.20	71.5%	63,899,108.57	70,610,207.11	6,711,098.54	10.5%
Corporate Income Tax	907,725.21	(1,678,375.27)	(2,586,100.48)	-284.9%	19,042,046.35	9,456,317.26	(9,585,729.09)	-50.3%
Insurance Premium Tax	3,126,502.68	3,052,427.69	(74,074.99)	-2.4%	4,764,122.07	5,040,596.82	276,474.75	5.8%
Financial Institutions Tax	117,186.00	8,426.00	(108,760.00)	-92.8%	208,039.89	488,509.00	280,469.11	134.8%
Oil & Gas Production Tax	874,859.12	1,432,637.22	557,778.10	63.8%	6,058,040.17	5,842,366.80	(215,673.37)	-3.6%
Gaming Tax	2,284,728.76	1,899,398.86	(385,329.90)	-16.9%	5,676,384.88	5,973,060.17	296,675.29	5.2%
Interest Income	496,259.24	363,258.36	(133,000.88)	-26.8%	3,954,945.38	2,276,063.79	(1,678,881.59)	-42.5%
Oil Extraction Tax	495,995.39	1,007,884.22	511,888.83	103.2%	4,412,545.98	4,528,156.90	115,610.92	2.6%
Cigarette and Tobacco Tax	1,915,268.78	1,699,273.47	(215,995.31)	-11.3%	10,190,948.14	9,752,982.19	(437,965.95)	-4.3%
Departmental Collections	928,816.17	926,786.79	(2,029.38)	-0.2%	5,154,982.58	5,759,073.70	604,091.12	11.7%
Wholesale Liquor Tax	560,470.13	527,003.50	(33,466.63)	-6.0%	2,411,124.04	1,884,480.42	(526,643.62)	-21.8%
Coal Severance Tax	865,597.59	947,173.19	81,575.60	9.4%	4,474,678.86	4,718,107.14	243,428.28	5.4%
Coal Conversion Tax	1,020,978.55	1,037,173.46	16,194.91	1.6%	4,823,977.34	4,960,808.71	136,831.37	2.8%
Mineral Leasing Fees	382,467.88	339,134.56	(43,333.32)	-11.3%	2,057,703.38	1,277,690.67	(780,012.71)	-37.9%
Bank of North Dakota - Transfer								
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					282,218.00	345,152.00	62,934.00	22.3%
Other Transfers	7,394.00	85,222.58	77,828.58	1052.6%	4,996,901.71	1,850,614.34	(3,146,287.37)	-63.0%
<b>TOTAL REVENUES AND TRANSFERS</b>	<b>\$ 52,887,733.99</b>	<b>\$ 67,337,260.30</b>	<b>\$ 14,449,526.31</b>	<b>27.3%</b>	<b>\$ 282,721,202.30</b>	<b>\$ 289,344,283.73</b>	<b>\$ 6,623,081.43</b>	<b>2.3%</b>

# Revenue Variances

Sales tax collections exceeded revenue projections in November by \$752,598 or 2.4 percent. This overage makes up a portion of the \$1.6 million October shortage. Biennium-to-date collections are now \$1.9 million or 1.5 percent ahead of projections.

Individual income tax collections exceeded projections by \$6.0 million due to the strength of withholding taxes. Biennium-to-date collections are \$3.6 million or 5.4 percent ahead of projections.

Corporate income tax collections show negative collections of \$1.6 million. This negative is due to corporations over-estimating their income tax and now requesting refunds. The same situation occurred a year ago. The negative variances should gradually turn around over the next few months.

Insurance premium tax collections fell below projections by \$1.2 million. This shortage is very likely due to the timing of the collections and should be made up next month. Biennium-

to-date collections fell below projections by \$380,403.

Oil and gas production tax collections exceeded projections by \$530,637 while collections for the oil extraction tax exceeded projections by \$460,884. Biennium-to-date collections for the oil taxes combined now exceed projections by \$3.3 million.

## Comments or Questions???

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